

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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OFFICE OF THE SECRETARY

In the Matter of )

Calling Party Pays Service Option )  
in the Commercial Mobile Radio Services. )

WT Docket No. 97-207

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**COMMENTS OF SPRINT CORPORATION**

On October 23, 1997, the Commission released its Notice of Inquiry in this matter inviting comments regarding Calling Party Pays ("CPP"), a service option offered by certain Commercial Mobile Radio Service ("CMRS") providers. In response to the Commission's request for information on CPP, Sprint Corporation ("Sprint") respectfully offers the following comments.

**SPRINT'S POSITION**

On its face, CPP seems like a fairly simple service, since, in its most basic form, it is merely a billing and collection arrangement between CMRS providers and local exchange companies ("LECs"). However, as the Commission is no doubt aware, there are issues of both a technical and consumer nature that surround CPP, adding layers of complexity to the service. Because of these intricacies, CPP is not today the widespread service offering many CMRS providers intended when it was first introduced in the 1980's.

As it has stated on numerous occasions, Sprint is fully supportive of the Commission's efforts to foster competition in the local exchange. Consequently, to the extent that the proliferation of CPP may serve to further open local markets, Sprint expresses its general support for the service. However, in order for CPP to be a viable

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service, Sprint believes that the issues alluded to above (and discussed in detail below) must be addressed before the service has any real chance to make a positive impact on local competition. For that reason, it is Sprint's opinion that the Commission should act as a facilitator in assisting to identify industry standards for CPP. This is not to suggest that CPP must or should be regulated, or that LECs and CMRS providers should be ordered to offer the service; rather, it is a recognition that, in order for the service to be workable in a multi-service provider environment, standardization will be required. While acknowledging this need for Commission assistance however, Sprint stresses that it should be the marketplace, not the Commission, which dictates when, where and whether CPP is implemented. The Commission should not, therefore, take any action which would impede the offering of the service.

Prior to any discussion of the specifics of the CPP, Sprint asserts that it is necessary to clarify precisely which entity - the CMRS provider or the LEC - is the provider of CPP service. Specifically, it should be made clear that CPP is not a LEC service, but is rather a CMRS product offering. In configuring the service, the CMRS provider may or may not choose to utilize the LEC's network infrastructure and/or billing and collection services.

#### CUSTOMER ISSUES

Perhaps the greatest hurdle CPP will have to overcome is the perception, held almost universally in this country, that local outbound calls are "free". As any state commission which deals with extended area service issues can attest, local calling areas can be emotional issues for many subscribers who hold fast the belief that local outbound calls must be available on a flat-rate basis. Any sense that the caller is paying for what is perceived as a local call - on either a message or measured basis - is met with resistance from many communities. With CPP, not only would the landline

customer incur a charge for a call made to the wireless subscriber, but that charge could likely be at a level which exceeds the landline customer's normal toll rates or, for that matter, exceeds the customary rate for a wireless call in that area (for example, the price of a CPP call in Sprint's Charlottesville, Virginia exchange is \$.35 per minute; this rate would be in addition to any toll rates which may apply). Customer education and ongoing customer notice of CPP charges will, therefore, be of prime importance if the service is to be successful.

From the perspective of the landline customer, the key to the success of the service in the United States will lie in the notification offered by the CMRS provider on CPP calls. Today, in many jurisdictions, that notice is provided by the placement of a "1" in front of a wireless number (as explained below). As the usefulness of that arrangement wanes, however, other forms of customer notice, such as repeated bill inserts or announcements preceding the completion of a call, will be necessary.

#### **TECHNICAL ISSUES**

There are today two ways to implement CPP in the LEC/wireless architecture. The first, which has traditionally been used to support CPP, is via a dedicated numbering system. When a caller dials a number which contains the dedicated NXX, he/she must place a "1" in front of the number called. The switch translations necessary to recognize this 1+ NXX can be accomplished in the LEC switch. While the dedicated NXX concept has worked to date, it does possess significant disadvantages. From a customer perspective, the greatest of these is the necessity for the wireless customer, when subscribing to CPP, to change his/her wireless number. More importantly, Sprint foresees other problems cropping up as competition spreads which will nullify the usefulness of the dedicated NXX solution. For example, CMRS providers will be compelled to contract with numerous LECs to perform the billing and

collection function rather than merely the ILEC. Even more problematic to the provision of CPP via a dedicated NXX will be the arrival of service provider local number portability which will effectively negate the ability of the CMRS provider to retain a dedicated number supply. Finally, continued use of a dedicated NXX will further aggravate the exhaust problem which today threatens the country's number supply (in Sprint's Charlottesville area alone, 10,000 numbers are tied up in providing a service to 3,500 customers).

CPP may also be implemented in concert with AIN. Utilizing a service control point database which handles customer database review, AIN 'triggers' allow for generation of an announcement to the caller regarding the charge associated with the call and then passes the call on for completion. It is the AIN 'trigger', using the AIN database, that supports the CPP functionality.

The advantage of using AIN for CPP is that the wireless subscriber would not be required to change his/her wireless number. Moreover, CPP, in conjunction with AIN, will obviate local number portability issues since it does not require the existence of a dedicated NXX. However, the downside of AIN is, quite simply, the cost and timing of implementation. Equipping LEC switches with AIN is an expensive proposition. While AIN will be necessary in order to fully implement local number portability, because of the associated costs, ubiquitous deployment of AIN is not anticipated for a number of years. The local number portability implementation schedule evidences the Commission's understanding of the burdens that would be placed upon the LECs should AIN deployment be accelerated. (Further, based upon filings made with the Commission on behalf of wireless providers, it appears that the acceleration of service provider local number portability for CMRS providers may be even less likely). While CPP may well advance competition in the local exchange, it certainly does not reach the same level of importance as local number portability in that regard. Consequently,

the Commission should not consider hastening the AIN implementation process merely to support CPP.

A major problem with any CPP solution is "leakage" - the inability to bill and collect for calls made to CPP numbers. It was the overwhelming presence of leakage that effectively stopped the growth of CPP in the 1980's. In today's environment, a provider of CPP cannot, for example, track or bill for calls made from pay telephones, calling/credit card billed calls, PBXs (which are common in hotels, hospitals, large businesses and prisons), or LEC and IXC networks without a direct interconnection to the wireless carrier. Although there are a number of tools available to prevent leakage, e.g. incoming call screening, customized announcements, PIN numbers for override capabilities, preferred caller lists and customer billing arrangements, even they do not preclude the need for the wireless provider to contract with each and every LEC, CLEC and IXC which could take part in processing a CPP call.

Sprint asserts that resolution of the "leakage" problem can begin with standardizing the message records carriers exchange among themselves to bill the end user. Further, to the extent the record exchange process itself can be standardized, all carriers will be more likely to receive the records they need to ensure that all calls are being appropriately billed.

#### **SPRINT'S CPP EXPERIENCE**

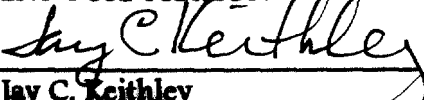
Sprint's local division currently offers CPP service in only one location - Charlottesville, Virginia. The service was implemented in 1990 with one CMRS provider. That provider has a dedicated NXX from which it assigns numbers to those customers wishing to subscribe to CPP. Persons calling those numbers are required to dial "1+" (which serves as notice to the calling party that there will be a toll associated with the call) and are subsequently charged \$.35 per minute for each call. Sprint

serves approximately 95,000 customers in the Charlottesville area and bills an average of 16,600 CPP calls per month. Based upon approximately 3,500 CPP subscribers, this equates to an average of 5 calls per CPP customer per month.

While the service has been in place for a number of years, the necessity of the dedicated NXX - which causes subscribers to change their numbers if they choose CPP - is viewed as a drawback by the CMRS provider. And, as described above, Sprint anticipates that the continued use of the dedicated NXX solution will be problematic in the future.

Respectfully submitted,

SPRINT CORPORATION

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## **CERTIFICATE OF SERVICE**

I, Melinda L. Mills, hereby certify that I have on this 16<sup>th</sup> day of December, 1997, served via U.S. First Class Mail, postage prepaid, or Hand Delivery, a copy of the foregoing "Comments of Sprint Corporation" in the Matter of Calling Party Pays Service Option in the Commercial Mobile Radio Services, WT Docket No. 97-207, filed this date with the Secretary, Federal Communications Commission, to the persons listed below.

  
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